

APPENDIX A  
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10/29/2003

GREAT OAKS WATER COMPANY  
Test Year 2003  
Summary of Earnings  
Dollars

Description	At Present Rates		Adopted	
	GOWC	ORA	At Present Rates	At Authorized ROR
<b><u>Operating Revenues</u></b>				
Water Service Revenues	9,128,481	9,128,481	9,128,481	9,610,535
Other Revenues	9,286	9,286	9,286	9,286
Total Revenues	9,137,767	9,137,767	9,137,767	9,619,821
<b><u>Operating Expenses</u></b>				
Payroll Expense	1,281,996	1,022,841	1,281,996	1,281,996
Groundwater Charges	5,001,852	5,001,852	5,001,852	5,001,852
Maintenance of Wells	4,400	4,400	4,400	4,400
Purchased Power	843,114	843,114	802,966	802,966
Maintenance of Pumping Equipment	34,048	34,048	34,048	34,048
Chemicals and Filtering Materials	1,252	1,252	1,252	1,252
T&D Maint Supervision and Eng	24,814	18,052	24,814	24,814
Maint of Reservoirs and Tanks	2,844	2,844	2,844	2,844
Maintenance of T&D Mains	50,594	50,594	50,594	50,594
Maintenance of Services	47,100	47,100	47,100	47,100
Maintenance of Meters	8,991	8,991	8,991	8,991
Maintenance of Hydrants	100,000	18,618	59,172	59,172
Customer Records and Collection	135,682	135,682	135,682	135,682
Uncollectible Accounts	12,068	12,068	12,068	12,759
Office Supplies and Other Expenses	39,466	39,466	39,466	39,466
Property Insurance	36,523	36,523	36,523	36,523
Injuries and Damages	9,751	9,751	9,751	9,751
Employee Pensions and Benefits	414,823	90,935	94,324	94,324
Regulatory Commission Expense	50,000	25,000	25,000	25,000
Outside Services Employed	172,196	97,480	97,480	97,480
Miscellaneous General Expenses	54,184	19,662	31,822	31,822
Maintenance of General Plant	25,108	25,108	25,108	25,108
Rents	95,260	95,260	95,260	95,260
Transportation Expense	33,226	33,226	33,226	33,226
Total Operation and Maintenance Expe	8,479,291	7,673,866	7,955,736	7,956,428
Depreciation Expense	660,398	644,598	645,906	645,906
Taxes Other Than Income	214,726	210,523	213,319	213,319
Current State Income Tax	0	41,192	17,335	59,906
Current Federal Income Tax	0	152,515	43,890	215,509
Deferred Tax Expense	22,143	12,165	17,047	17,047
Total Operating Expense	9,376,558	8,734,859	8,893,234	9,108,115
Net Operating Revenue	-238,791	402,908	244,532	511,706
Rate Base	6,364,048	5,877,590	5,749,035	5,749,035
Rate of Return, Percent	-3.75%	6.85%	4.25%	8.90%

## APPENDIX A

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## GREAT OAKS WATER COMPANY

Test Year 2004

## Summary of Earnings

Dollars

Description	<u>At Present Rates</u>		At Present Rates	<u>Adopted</u>	At Authorized ROR
	GOWC	ORA		At 2003 Rates	
<b><u>Operating Revenues</u></b>					
Water Service Revenues	9,196,816	9,196,816	9,196,816	9,679,822	9,680,560
Other Revenues	9,286	9,286	9,286	9,286	9,286
Total Revenues	9,206,102	9,206,102	9,206,102	9,689,108	9,689,845
<b><u>Operating Expenses</u></b>					
Payroll Expense	1,483,593	1,046,366	1,311,482	1,311,482	1,311,482
Groundwater Charges	5,045,451	5,045,451	5,045,451	5,045,451	5,045,451
Maintenance of Wells	4,512	4,512	4,512	4,512	4,512
Purchased Power	809,965	809,965	809,965	809,965	809,965
Maintenance of Pumping Equipment	34,913	34,913	34,913	34,913	34,913
Chemicals and Filtering Materials	1,284	1,284	1,284	1,284	1,284
T&D Maint Supervision and Eng	25,445	18,511	25,445	25,445	25,445
Maint of Reservoirs and Tanks	2,916	2,916	2,916	2,916	2,916
Maintenance of T&D Mains	51,879	51,879	51,879	51,879	51,879
Maintenance of Services	48,297	48,297	48,297	48,297	48,297
Maintenance of Meters	9,220	9,220	9,220	9,220	9,220
Maintenance of Hydrants	100,000	18,860	59,172	59,172	59,172
Customer Records and Collection	139,128	139,128	139,128	139,128	139,128
Uncollectible Accounts	12,158	12,158	12,158	12,797	12,798
Office Supplies and Other Expenses	40,164	40,164	40,164	40,164	40,164
Property Insurance	37,450	37,450	37,450	37,450	37,450
Injuries and Damages	9,998	9,998	9,998	9,998	9,998
Employee Pensions and Benefits	469,157	92,541	96,008	96,008	96,008
Regulatory Commission Expense	50,000	25,000	25,000	25,000	25,000
Outside Services Employed	176,082	99,956	99,956	99,956	99,956
Miscellaneous General Expenses	54,805	20,105	32,111	32,111	32,111
Maintenance of General Plant	25,746	25,746	25,746	25,746	25,746
Rents	98,348	98,348	98,348	98,348	98,348
Transportation Expense	34,069	34,069	34,069	34,069	34,069
Total Operation and Maintenance Expense	8,764,578	7,726,835	8,054,670	8,055,308	8,055,309
Depreciation Expense	723,116	655,608	663,837	663,837	663,837
Taxes Other Than Income	230,736	210,106	212,513	212,513	212,513
Current State Income Tax	0	11,753	0	56,719	56,784
Current Federal Income Tax	0	10,991	0	173,444	173,444
Deferred Tax Expense	34,382	8,395	20,707	20,707	20,707
Total Operating Expense	9,752,812	8,623,688	8,951,727	9,182,528	9,182,594
Net Operating Revenue	-546,710	582,414	254,375	506,580	507,252
Rate Base	7,907,694	5,541,844	5,504,281	5,504,281	5,504,281
Rate of Return, Percent	-6.91%	10.51%	4.62%	9.20%	9.22%

**APPENDIX B**

**1 OF 3**

**GREAT OAKS WATER COMPANY**

**Schedule No. 1**

**GENERAL METERED SERVICE**

**Effective 2003**

**APPLICABILITY**

Applicable to all metered water service.

**TERRITORY**

The area in Southeast San Jose, East of Snell Road and South of Hellyer Park.

**RATES**

Quantity Rates:	Per Meter Per Month
For all water delivered, per 100 Cu. Ft.	\$ 1.409
Service charge:	
For 5/8x3/4 inch meter	\$ 5.25
For 3/4 inch meter	7.80
For 1 inch meter	13.25
For 1 1/2 inch meter	26.25
For 2 inch meter	42.00
For 3 inch meter	79.00
For 4 inch meter	131.00
For 6 inch meter	265.00
For 8 inch meter	420.00
For 10 inch meter	605.00
For 12 inch meter	870.00
For 14 inch meter	1,180.00

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the charge for water used computed at the Quantity Rates.

**SPECIAL CONDITIONS**

1. All bills are subject to a 2% Franchise Fee imposed by the City of San Jose on customers within the city limits of the City of San Jose.
2. Due to an under collection in the Company's production cost balancing type memorandum accounts accumulated through November 29, 2001, a surcharge of \$0.058 per Ccf is added to the quantity rate for 36 months from the effective date of Advice Letter 155, April 8, 2003.
3. Due to an under collection in the Company's production cost balancing account accumulated from November 30, 2001 through December 31, 2002, a surcharge of \$0.055 per Ccf is to be added to the quantity rate for 36 months from the effective (N) date of Advice Letter 157-W, September 23, 2003.
4. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

**APPENDIX B**

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**GREAT OAKS WATER COMPANY**

Schedule No. 4

**PRIVATE FIRE PROTECTION SERVICE**

Effective 2003

**APPLICABILITY**

Applicable to all metered water service furnished to privately owned fire protection systems.

**TERRITORY**

The area in Southeast San Jose, East of Snell Road and South of Hellyer Park.

**RATES**

	Per Month
For each 2-inch diameter service connection	\$ 4.60
For each 4-inch diameter service connection	7.80
For each 6-inch diameter service connection	13.95
For each 8-inch diameter service connection	22.65
For each 10-inch diameter service connection	37.35

**SPECIAL CONDITIONS**

1. The fire protection service connection will be installed by the utility and the cost paid by the applicant. Such cost shall not be subject to refund.
2. The minimum diameter for fire protection service shall be two inches, and the maximum diameter shall not be more than the diameter of the main to which the service is connected.
3. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal services does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.
4. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, and installed according to specifications of the utility, and are maintained to the satisfaction of the utility. The utility may install the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or waste of water, and the cost paid by the applicant. Such payment shall not be subject to refund.
5. The utility will supply only such water at such pressure as may be available from time to time as a result of its normal operation of the system.

**APPENDIX B**

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**GREAT OAKS WATER COMPANY**

Schedule No. 9C

**CONSTRUCTION FLAT RATE SERVICE**

6. All bills are subject to a 2% Franchise Fee imposed by the City of San Jose on customers within the city limits of the City of San Jose.
7. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

**APPLICABILITY**

Applicable to all. water service furnished for residential building construction.

**TERRITORY**

The area in Southeast San Jose, East of Snell Road and South of Hellyer Park.

**RATES**

For each. service connection

**Per Month**

The monthly Service Charge for a  
1-inch meter, Schedule No. 1

**SPECIAL CONDITIONS:**

1. The above construction flat rate charge applies only to service connections not larger-than one inch in diameter.
2. Service under this schedule will be furnished only during the initial construction period of a residence, and in no event for longer than six months.
3. Service under the schedule will be continuous. Once service to a residence is discontinued, service to this-residence will subsequently be only at regular residential rates.
4. All bills are subject to a 2% Franchise Fee imposed by the City of San Jose on customers within the city limits of the City of San Jose.
5. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

## APPENDIX C

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## GREAT OAKS WATER COMPANY

## Bill Comparisons

## 2003 Rates

## Monthly Bill, Dollars

Usage in Ccf	Present Rates	2003 Rates	Increase Dollars	Percent
5/8x3/4-INCH METER				
0	\$4.89	\$5.43	\$0.54	10.99%
5	\$12.12	\$12.71	\$0.59	4.91%
10	\$19.35	\$20.00	\$0.65	3.37%
15	\$26.57	\$27.28	\$0.71	2.67%
20	\$33.80	\$34.57	\$0.77	2.26%
25	\$41.03	\$41.85	\$0.82	2.00%
30	\$48.26	\$49.14	\$0.88	1.82%
40	\$62.71	\$63.70	\$0.99	1.58%
50	\$77.17	\$78.27	\$1.11	1.43%
60	\$91.62	\$92.84	\$1.22	1.33%
70	\$106.08	\$107.41	\$1.33	1.26%
80	\$120.53	\$121.98	\$1.45	1.20%
90	\$134.99	\$136.55	\$1.56	1.16%
100	\$149.44	\$151.12	\$1.68	1.12%

## Monthly Bill, Dollars

Usage in Ccf			Increase	
	2003 Rates	2004 Rates	Dollars	Percent
5/8x3/4-INCH METER				
0	\$5.43	\$5.43	\$0.00	0.00%
5	\$12.71	\$12.71	\$0.00	0.00%
10	\$20.00	\$20.00	\$0.00	0.00%
15	\$27.28	\$27.28	\$0.00	0.00%
20	\$34.57	\$34.57	\$0.00	0.00%
25	\$41.85	\$41.85	\$0.00	0.00%
30	\$49.14	\$49.14	\$0.00	0.00%
40	\$63.70	\$63.70	\$0.00	0.00%
50	\$78.27	\$78.27	\$0.00	0.00%
60	\$92.84	\$92.84	\$0.00	0.00%
70	\$107.41	\$107.41	\$0.00	0.00%
80	\$121.98	\$121.98	\$0.00	0.00%
90	\$136.55	\$136.55	\$0.00	0.00%
100	\$151.12	\$151.12	\$0.00	0.00%

Bill comparisons include all surcharges included on customer bills.

## APPENDIX D

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## GREAT OAKS WATER COMPANY

Adopted Quantities		2003	2004
Number of Customers by Meter Size	5/8X3/4	18,973	18,976
	3/4	6	6
	1	443	443
	1-1/2	193	193
	2	409	410
	3	63	63
	4	30	30
	6	11	11
	8	7	7
	10	3	3
Total		20,138	20,142
Water Sales, Ccf		5,562,285	5,610,768
Water Sales, Acre Feet		12,769	12,881
Water Production, Acre Feet		13,338	13,455
Unaccounted-for, Acre Feet		569	574
Unaccounted-for, Percent of Production		4.27%	4.27%
Purchased Power (Supplier - PG&E, Rates effective March 4, 2002)			
Pumped Water, AF		13,338	13,455
Kwh/AF		401	401
Pumping Power, Kwh		5,349,538	5,396,167
Purchased Power Expense		\$802,966	\$809,965
Power Cost, \$/Kwh		\$0.150100	\$0.150100
Groundwater Charges (Santa Clara Valley Water Dist., Rate effective July 1, 2003)			
Water Production, Acre Feet		13,338	13,455
Groundwater Charge Expense		\$5,001,852	\$5,045,451
Groundwater Rate, per Acre Foot		\$375.00	\$375.00
Uncollectibles Rate, Percent of Revenue		0.1322%	0.1322%
Franchise Tax Rate, Percent of Revenue		2.00%	2.00%
Federal Tax Rate		34.00%	34.00%
State Corp Franchise Rate		8.84%	8.84%
Net to Gross Multiplier		1.752317	1.752317

## APPENDIX D

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## GREAT OAKS WATER COMPANY

Adopted Rate Base, Dollars		
	2003	2004
ADDITIONS TO RATE BASE		
Utility Plant in Service, Average for Year	25,424,213	25,800,888
Working Cash	286,278	299,170
TOTAL ADDITIONS TO RATE BASE	25,710,491	26,100,058
LESS DEDUCTIONS FROM RATE BASE:		
Reserve for Depreciation	10,877,106	11,614,414
Advances for Construction	6,251,502	6,196,835
Contributions in Aid of Construction	2,704,656	2,598,969
Accumulated Deferred Federal Income Taxes, Depn. Timing Diff	861,015	879,892
Accumulated State Def Taxes, Taxable Advances for Constructi	-74,506	-66,838
Accumulated Federal Def Taxes, Taxable Advances for Constr	-802,352	-759,300
Unamortized Investment Tax Credits	144,036	131,807
TOTAL DEDUCTIONS FROM RATE BASE	19,961,456	20,595,777
NET RATE BASE	5,749,035	5,504,281



## APPENDIX D

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## GREAT OAKS WATER COMPANY

## Adopted Income Taxes at Present Rates, Dollars

	2003	2004
<b>STATE INCOME TAXES</b>		
Water Service Revenues, Excludes Surcharges	9,128,481	9,196,816
Other Water Revenues	9,286	9,286
Total Taxable Revenues, State	9,137,767	9,206,102
<u>Deductions, State</u>		
Operating Expenses, Excludes Surcharges	7,955,736	8,054,670
Tax Depreciation And Net Salvage Deduction, State	631,877	627,709
Taxes Other than Income	213,319	212,513
Interest Expense	140,736	151,962
Subtotal, Deductions, State	8,941,669	9,046,854
Taxable Income, CCFT	196,097	159,247
CCFT Rate	8.84%	8.84%
Current California Corporation Franchise Tax	17,335	14,077
<b>FEDERAL INCOME TAXES</b>		
Taxable Income, CCFT	196,097	159,247
Plus Tax Depreciation And Net Salvage Deduction, State	631,877	627,709
Less Tax Depreciation And Net Salvage Deduction, Federal	675,692	700,040
Less Prior Year Current CCFT	0	17,335
Taxable Income, Federal	152,283	69,581
First \$50,000	50,000	50,000
Balance	102,283	19,581
Next \$25,000	25,000	19,581
Balance	77,283	0
Next \$25,000	0	0
Balance	77,283	0
Next \$235,000	77,283	0
Bal Over \$335,000	0	0
Federal Income Tax Rate		
First \$50,000	15.00%	15.00%
Next \$25,000	25.00%	25.00%
Next \$25,000	34.00%	34.00%
Next \$235,000	39.00%	39.00%
Bal Over \$335,000	34.00%	34.00%
Current Federal Income Taxes	43,890	12,395
Amortization Of Investment Tax Credits	0	0
Plus <del>Deferred Tax Expense, Depreciation Timing Differences</del>	17,047	20,707
Total Federal Income Tax Expense	60,937	33,102
Current California Corporation Franchise Tax	17,335	14,077
Total Income Tax Expense	78,272	47,179

## APPENDIX D

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## GREAT OAKS WATER COMPANY

## Adopted Income Taxes at Proposed Rates, Dollars

	2003	2004
<b>STATE INCOME TAXES</b>		
Water Service Revenues, Excludes Surcharges	9,610,535	9,680,560
Other Water Revenues	9,286	9,286
Total Taxable Revenues, State	9,619,821	9,689,845
<u>Deductions, State</u>		
Operating Expenses, Excludes Surcharges	7,956,374	8,055,309
Tax Depreciation And Net Salvage Deduction, State	631,877	627,709
Taxes Other than Income	213,319	212,513
Interest Expense	140,736	151,962
Subtotal, Deductions, State	8,942,307	9,047,494
Taxable Income, CCFT	677,514	642,352
CCFT Rate	8.84%	8.84%
Current California Corporation Franchise Tax	59,892	56,784
<b>FEDERAL INCOME TAXES</b>		
Taxable Income, CCFT	677,514	642,352
Plus Tax Depreciation And Net Salvage Deduction, State	631,877	627,709
Less Tax Depreciation And Net Salvage Deduction, Federal	675,692	700,040
Less Prior Year Current CCFT	0	59,892
Taxable Income, Federal	633,700	510,129
Federal Income Tax Rate	34.00%	34.00%
Current Federal Income Taxes	215,458	173,444
Amortization Of Investment Tax Credits	0	0
Plus Deferred Tax Expense, Depreciation Timing Differences	17,047	20,707
Total Federal Income Tax Expense	232,505	194,151
Current California Corporation Franchise Tax	59,892	56,784
Total Income Tax Expense	292,397	250,935

## APPENDIX E

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## GREAT OAKS WATER COMPANY

Attrition Rates  
 INCREASE IN RATES TO BE EFFECTIVE JANUARY 1  
 2004                      2005                      2006

GENERAL METERED SERVICE

Quantity Rates, Per Meter Per Month			
All water, per 100 cu. ft. ....	\$0.000	\$0.000	\$0.000
Service Charge, Per Meter Per Month			
For 5/8 x 3/4-inch meter .....	\$0.00	\$0.00	\$0.00
For 3/4-inch meter .....	\$0.00	\$0.00	\$0.00
For 1-inch meter .....	\$0.00	\$0.00	\$0.00
For 1-1/2-inch meter .....	\$0.00	\$0.00	\$0.00
For 2-inch meter .....	\$0.00	\$0.00	\$0.00
For 3-inch meter .....	\$0.00	\$0.00	\$0.00
For 4-inch meter .....	\$0.00	\$0.00	\$0.00
For 6-inch meter .....	\$0.00	\$0.00	\$0.00
For 8-inch meter .....	\$0.00	\$0.00	\$0.00
For 10-inch meter .....	\$0.00	\$0.00	\$0.00
For 12-inch meter .....	\$0.00	\$0.00	\$0.00
For 14-inch meter .....	\$0.00	\$0.00	\$0.00

PRIVATE FIRE PROTECTION SERVICE

Per Service Connection Per Month			
For each 2 inch diameter service connection .....	\$0.00	\$0.00	\$0.00
For each 4 inch diameter service connection .....	\$0.00	\$0.00	\$0.00
For each 6 inch diameter service connection .....	\$0.00	\$0.00	\$0.00
For each 8 inch diameter service connection .....	\$0.00	\$0.00	\$0.00
For each 10 inch diameter service connection .....	\$0.00	\$0.00	\$0.00